



General Assembly

February Session, 2010

Raised Bill No. 436

LCO No. 2048

02048_____FIN

Referred to Committee on Finance, Revenue and Bonding

Introduced by:
(FIN)

AN ACT CONCERNING MUNICIPAL REVENUE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2010*) (a) As used in this section,
2 "municipality" means any town, city, borough, consolidated town and
3 city or consolidated town and borough.

4 (b) Any municipality may, upon approval by its legislative body, or,
5 in any town in which the legislative body is a town meeting, by the
6 board of selectmen, establish by ordinance any type of tax, including,
7 but not limited to, a retail sales tax, a tax on food and beverages, an
8 amusements tax, a hotel tax, payroll taxes or hospital bed taxes.

9 (c) The municipality shall conduct an annual review of any tax
10 imposed pursuant to this section, commencing one year after the date
11 of its original imposition. Such municipality's legislative body, or, in
12 any town in which the legislative body is a town meeting, the board of
13 selectmen, shall conduct such review and such legislative body or
14 board of selectmen shall thereafter amend or approve such tax in the
15 same manner as provided in subsection (b) of this section. If a tax is
16 not so amended or approved, it shall expire at the end of the current

17 calendar quarter or thirty days after the annual review required
18 pursuant to this subsection, whichever is later.

19 (d) Any municipal tax imposed pursuant to this section shall be in
20 addition to any state tax imposed on the same activity.

21 (e) (1) Any tax imposed by a municipality under the provisions of
22 this section shall be collected and administered by the Department of
23 Revenue Services, in the same manner as such taxes are currently paid,
24 and in accordance with the laws governing such taxes. The department
25 shall segregate the amount paid that is attributable to any municipal
26 tax and, commencing on the first day of the calendar quarter next
27 succeeding the institution of such municipal tax, remit to the
28 municipality such amount. Thereafter, the department shall remit
29 quarterly to the municipality any amounts received attributable to a
30 municipal tax.

31 (2) For the fiscal years ending June 30, 2011, and June 30, 2012, the
32 department may deduct from the amounts received attributable to
33 municipal taxes any costs directly associated with the administration
34 and collection of such taxes by the department.

35 (f) A municipality may use the revenue generated by any tax
36 enacted under the provisions of this section for the general fund of the
37 municipality, capital expenditures or any regular or special purpose as
38 provided in the budget enacted each year by the municipality.

39 Sec. 2. Subdivision (2) of subsection (c) of section 7-148 of the
40 general statutes is repealed and the following is substituted in lieu
41 thereof (*Effective July 1, 2010*):

42 (2) (A) Establish and maintain a budget system;

43 (B) Assess, levy and collect taxes for general or special purposes on
44 all property, subjects or objects which may be lawfully taxed, and
45 regulate the mode of assessment and collection of taxes and
46 assessments not otherwise provided for, including establishment of a

47 procedure for the withholding of approval of building application
48 when taxes or water or sewer rates, charges or assessments imposed
49 by the municipality are delinquent for the property for which an
50 application was made;

51 (C) Make appropriations for the support of the municipality and
52 pay its debts;

53 (D) Make appropriations for the purpose of meeting a public
54 emergency threatening the lives, health or property of citizens,
55 provided such appropriations shall require a favorable vote of at least
56 two-thirds of the entire membership of the legislative body or, when
57 the legislative body is the town meeting, at least two-thirds of those
58 present and voting;

59 (E) Make appropriations to military organizations, hospitals, health
60 care facilities, public health nursing organizations, nonprofit museums
61 and libraries, organizations providing drug abuse and dependency
62 programs and any other private organization performing a public
63 function;

64 (F) Provide for the manner in which contracts involving unusual
65 expenditures shall be made;

66 (G) When not specifically prescribed by general statute or by
67 charter, prescribe the form of proceedings and mode of assessing
68 benefits and appraising damages in taking land for public use, or in
69 making public improvements to be paid for, in whole or in part, by
70 special assessments, and prescribe the manner in which all benefits
71 assessed shall be collected;

72 (H) Provide for the bonding of municipal officials or employees by
73 requiring the furnishing of such bond, conditioned upon honesty or
74 faithful performance of duty and determine the amount, form, and
75 sufficiency of the sureties thereof;

76 (I) Regulate the method of borrowing money for any purpose for

77 which taxes may be levied and borrow on the faith and credit of the
78 municipality for such general or special purposes and to such extent as
79 is authorized by general statute;

80 (J) Provide for the temporary borrowing of money;

81 (K) Create a sinking fund or funds or a trust fund or funds or other
82 special funds, including funds which do not lapse at the end of the
83 municipal fiscal year;

84 (L) Provide for the assignment of municipal tax liens on real
85 property to the extent authorized by general statute;

86 (M) Notwithstanding any provision of the general statutes, impose a
87 surcharge on any fee established pursuant to the general statutes for a
88 municipal service, which surcharge shall not exceed the costs to the
89 municipality to provide the service for which the fee is assessed,
90 including, but not limited to, the costs of (i) reviewing and acting on
91 applications and petitions, (ii) certified mailings, (iii) publications of
92 notices and decisions, (iv) monitoring compliance with permit
93 conditions, and (v) the salary attributable to employees engaged in
94 providing the service.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2010</i>	New section
Sec. 2	<i>July 1, 2010</i>	7-148(c)(2)

Statement of Purpose:

To increase sources of municipal revenue by giving municipalities local option taxing authority and allowing them to unilaterally increase fees otherwise set or limited by statute.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]